



**Billing Code: 5001-06**

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**[Transmittal No. 15-59]**

**36(b)(1) Arms Sales Notification**

**AGENCY:** Department of Defense, Defense Security Cooperation Agency.

**ACTION:** Notice.

**SUMMARY:** The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

**FOR FURTHER INFORMATION CONTACT:** Sarah A. Ragan or Heather N. Harwell, DSCA/LMO, (703) 604-1546/ (703) 607-5339.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 15-59 with attached Policy Justification.

Dated: November 20, 2015.

Aaron Siegel,  
Alternate OSD Federal Register Liaison Officer,  
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY  
201 12TH STREET SOUTH, STE 203  
ARLINGTON, VA 22202-5408

The Honorable Paul D. Ryan  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

NOV 03 2015

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 15-59, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to the Government of Italy for defense articles and services estimated to cost \$129.6 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

J. W. Rixey  
Vice Admiral, USN  
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Transmittal No. 15-59

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Government of Italy
- (ii) Total Estimated Value:
- |                          |                         |
|--------------------------|-------------------------|
| Major Defense Equipment* | \$ 18.3 million         |
| Other                    | <u>\$ 111.3 million</u> |
| TOTAL                    | \$ 129.6 million        |
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:
- Major Defense Equipment (MDE) included:
- One hundred and fifty-six (156) AGM-114R2 HELLFIRE II Missiles  
Eight (8) HELLFIRE II, M36-E8 Captive Air Training Missiles (CATMs)  
Thirty (30) GBU-12 Laser Guided Bombs  
One hundred and twenty (120) FMU-152A/B Joint Programmable Fuzes
- Also included with this request are the following non-MDE items: thirty (30) GBU-38 Joint Direct Attack Munitions (JDAMS); five (5) Hellfire M34 Dummy Missiles; thirty (30) GBU-49 Enhanced Laser Guided Bombs; thirty (30) GBU-54 Laser JDAMS; twenty-six (26) BRU-71A Bomb Racks; thirteen (13) M-299 launchers; six (6) MQ-9 weaponization kits and installation; and two (2) AN/AWM-103 test suites. Additionally, this transmittal includes personnel weapons training/equipment; spare parts; support equipment; publications and technical data; U.S. Government and contractor technical assistance; and other related elements of program and logistics support.
- (iv) Military Department: Air Force (QAV)
- (v) Prior Related Cases, if any: FMS Case IT-D-SAG-\$182M-02 Dec 08
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex
- (viii) Date Report Delivered to Congress: 03 NOV 2015

\*As defined in Section 47(6) of the Arms Export Control Act.

## POLICY JUSTIFICATION

### Italy - Weaponization of MQ-9s

The Government of Italy requested a possible sale of Major Defense Equipment (MDE) items including one hundred and fifty-six (156) AGM-114R2 HELLFIRE II Missiles; eight (8) HELLFIRE II, M36-E8 Captive Air Training Missiles (CATMs); and thirty (30) GBU-12 Laser Guided Bombs. Non-MDE items requested include thirty (30) GBU-38 Joint Direct Attack Munitions (JDAMs); five (5) HELLFIRE M34 Dummy Missiles; thirty (30) GBU-49 Enhanced Laser Guided Bombs; thirty (30) GBU-54 Laser JDAMs; twenty-six (26) Bomb Racks; six (6) MQ-9 weaponization kits and installation; thirteen (13) M-299 launchers; two (2) AN/AWM-103 test suites; personnel weapons training/equipment; spare parts; support equipment; publications and technical data; U.S. Government and contractor technical assistance; and other related elements of program and logistics support. The estimated MDE value is \$18 million. The estimated total value is \$129.6 million.

This proposed sale will contribute to the foreign policy and national security of the United States by improving the capability of a North Atlantic Treaty Organization (NATO) ally that has been an integral member of every recent NATO and U.S.-led operation. It is in the U.S. strategic interest to support Italy's security contributions as a capable and interoperable ally. Italy is a major political and economic power in NATO and a key democratic partner of the United States in ensuring peace and stability around the world.

Italy requests to arm its MQ-9 Reapers for three primary reasons: 1) to support and enhance burden sharing in NATO and coalition operations; 2) to increase operational flexibility; and 3) to increase the survivability of Italian deployed forces. Italy currently operates the MQ-9 system and will have no difficulty incorporating this added capability into its Air Force.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The prime contractor will be the General Atomics-Aeronautical Systems, Inc. of San Diego, California. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Italy.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale. All defense articles/services have been approved for release by our foreign disclosure office.

Transmittal No. 15-59

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act

Annex  
Item No. vii

(vii) Sensitivity of Technology:

1. Armed MQ-9 Unmanned Aerial Vehicle System Upgrade: Italy currently owns and operates an unarmed version of the MQ-9 system and has formally requested an armed capability.

No new Critical Program Information or Technology is involved in the weaponization process. The equipment proposed in this weaponization process for the Italian MQ-9 includes:

- BRU-7A Bomb Racks, M-299 launchers, MQ-9 weaponization kits to include pylons, AN/AWM-103 test suites, and associated operational flight programming (OFP).

2. AGM-114R2 HELLFIRE II Semi-Active Laser Missile: The AGM-114R2 HELLFIRE II is a rail-launched guided missile. The guidance system employs a Semi-Active Laser (SAL) seeker and an analogue autopilot. SAL missiles home on the laser energy reflected off a target that has been illuminated by a laser designator. The laser can be on either the launch platform or another platform that can be separated by several kilometers. The AGM-114R2 has a multi-purpose selectable warhead and inertial measurement unit (IMU)-Aided Trajectories. The highest level of classified information to be disclosed regarding the AGM-114R2 HELLFIRE II missile is SECRET, based upon the software. The highest level of classified information that could be disclosed by a proposed sale or by testing of the end item is SECRET; the highest level that must be disclosed for production, maintenance, or training is CONFIDENTIAL. Vulnerability data, countermeasures, vulnerability/susceptibility analyses, and threat definitions are classified up to SECRET.

3. The HELLFIRE II Captive Air Training Missile (CATM) consists of a functional guidance section coupled to an inert missile bus. The CATM is used for flight training

and cannot be launched. The missile has an operational semi-active laser seeker that can search for and lock-on to laser-designated targets. The CATM functions like a tactical missile (without launch capability) during captive carry on the aircraft, making it suitable for training the aircrew in simulated HELLFIRE missile target acquisition and lock.

4. GBU-12 (500 lb): The GBU-12 is a general purpose bomb fitted with the MXU-650 airfoil and the MAU-169 L/B Computer Control Group (CCG) to convert them to Laser Guided Bombs (LGBs). The LGB is a maneuverable, free-fall weapon that guides to a spot of laser energy reflected off of the target. The LGB is delivered like a normal general purpose (GP) warhead and the semi-active guidance corrects for many of the normal errors inherent in any delivery system. The hardware is Unclassified.

Information revealing the probability of destroying common/unspecified targets, the number of simultaneous lasers the laser seeker head can discriminate, and data on the radar/infra-red frequency is classified CONFIDENTIAL.

5. GBU-38 (500 lb) JDAM (Joint Direct Attack Munition): The GBU-38 is a general purpose bomb with an FMU-152A/B fuse and a KMU-572 B/B guidance tail kit that converts unguided free-fall bombs into accurate, all weather, GPS guided "smart" munitions.

Information revealing target designation tactics and associated aircraft maneuvers, the probability of destroying specific/peculiar targets, vulnerabilities regarding countermeasures and the electromagnetic environment is classified SECRET.

Information revealing the probability of destroying common/unspecified targets is classified CONFIDENTIAL.

6. GBU-49 (500 lb): The GBU-49 is a 500 lb (MK-82 or BLU-111) Enhanced Paveway II, dual mode GPS/laser guided bomb with an airfoil group and the MAU-169L/B CCG. The laser sensor enhances standard GPS guidance by allowing rapid prosecution of moving targets or fixed targets with large initial target location errors (TLE).

Information revealing target designation tactics and associated aircraft maneuvers, the probability of destroying specific/peculiar targets, vulnerabilities regarding countermeasures and the electromagnetic environment is classified SECRET.

Information revealing the probability of destroying common/unspecified targets, the number of simultaneous lasers the laser seeker head can discriminate, and data on the radar/infra-red frequency is classified CONFIDENTIAL.

7. GBU-54 (500 lb): This is the dual-mode laser JDAM variant of the GBU-38 JDAM.

The nose fuze is replaced with the DSU-38, which gives the weapon both GPS and laser guidance capability. The laser sensor enhances standard JDAM's reactive target capability by allowing rapid prosecution of fixed targets with large initial target location errors (TLE). The addition of the laser sensor combined with additional cabling and mounting hardware turns a standard JDAM into a Laser JDAM.

Information revealing target designation tactics and associated aircraft maneuvers, the probability of destroying specific/peculiar targets, vulnerabilities regarding countermeasures and the electromagnetic environment is classified SECRET.

Information revealing the probability of destroying common/unspecified targets, the number of simultaneous lasers the laser seeker head can discriminate, and data on the radar/infra-red frequency is classified CONFIDENTIAL.

8. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

9. A determination has been made that the recipient country can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

10. Release of this technology has been approved via appropriate technology transfer and foreign disclosure processes.

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